



HAMPDEN TOWN COUNCIL
HAMPDEN MUNICIPAL BUILDING
MINUTES

MONDAY

MARCH 2, 2015

7:00 P.M.

Attending:

<i>Mayor David Ryder</i>	<i>Town Attorney Thomas Russell</i>
<i>Councilor William Shakespeare</i>	<i>Town Manager Susan Lessard</i>
<i>Councilor Greg Sirois</i>	<i>Town Clerk Denise Hodsdon</i>
<i>Councilor Stephen Wilde</i>	<i>CEDD Dean Bennett</i>
<i>Councilor Dennis Marble</i>	<i>Representatives from MRC</i>
<i>Councilor Terry McAvoy</i>	<i>Members of the Media</i>
	<i>Citizens</i>

- A. **PLEDGE OF ALLEGIANCE** – *Mayor Ryder led the pledge of allegiance*
- B. **CONSENT AGENDA** – *Motion by Councilor McAvoy, seconded by Councilor Marble to accept the consent agenda. Unanimous vote in favor.*
1. **SIGNATURES**
2. **SECRETARY'S REPORTS**
- a. **February 9, 2015 Minutes**
3. **COMMUNICATIONS**
4. **REPORTS**
- a. **Pool Trustees Minutes – 1/13/2015**
- b. **Bus Ridership – 12/31/2014**
- c. **Services Committee Minutes – 1/12/2015**
- d. **Finance & Administration Committee Minutes – 1/20/2015**
- e. **Planning & Development Committee Minutes – 2/4/2015**
- f. **Infrastructure Committee Minutes – 1/26/2015**
- C. **PUBLIC COMMENTS** – *None.*
- D. **POLICY AGENDA**
1. **NEWS, PRESENTATIONS & AWARDS** – *None.*
2. **PUBLIC HEARINGS** – *None.*
3. **NOMINATIONS – APPOINTMENTS – ELECTIONS**
- a. **Joshua Sargent – Reappointment to Pool Board – Services Committee Recommendation** – *Motion by Councilor McAvoy, seconded by Councilor Marble to reappoint Joshua Sargent to the Pool Board. Unanimous vote in favor.*

- b. **Andrew Nelson – Reappointment to Planning Board – Planning & Development Committee Recommendation** – *Motion by Councilor Shakespeare, seconded by Councilor McAvoy to reappoint Andrew Nelson to the Planning Board. Unanimous vote in favor.*
- c. **James Davitt – Appoint as Regular Member of Planning Board – Planning & Development Committee Recommendation** – *Motion by Councilor Shakespeare, seconded by Councilor McAvoy to appoint James Davitt as a Regular Member of the Planning Board. Unanimous vote in favor.*

4. UNFINISHED BUSINESS

- a. **MRC – Update on Proposed Municipal Solid Waste Recycling & Processing Facility** – *Greg Louder, Executive Director of the Municipal Review Committee updated the Council as to the status of their proposal to locate a solid waste recycling and processing facility project in Hampden. A copy of their update is attached.*
- b. **Impact of Governor’s Proposed Budget** – *Manager Lessard provided an overview of the impact the Governor’s proposed budget would have on the Town of Hampden. A copy of her report is attached.*

5. NEW BUSINESS

- a. **Sidewalk Plow Options – Finance & Administration Committee Recommendation** – *Mayor Ryder reported that the Finance Committee had discussed this item at its meeting earlier. It was the recommendation of the Committee to rent a sidewalk plow for the next two months at a cost of \$2,000 per month. Manager Lessard noted that there are sufficient funds in the operating budget to cover the rental fee.*
- b. **Request to Use Computer Reserve Funds for Replacement of Police Cruiser Computers – Finance & Administration Committee Recommendation** – *Mayor Ryder reported that the Finance Committee had discussed this item earlier and recommended approval of the request to replace three laptops in the police vehicles in the amount of \$13,315. Motion by Councilor Shakespeare, seconded by Councilor Sirois to fund \$13,315.26 from the Computer Reserve Account to replace the laptops in the three police vehicles. Unanimous vote in favor.*
- c. **Skehan Center Lighting – Infrastructure Committee Recommendation** – *Councilor Marble reported that the Infrastructure Committee discussed this at their last meeting and recommended acceptance of the proposal from Hampden Electric to replace the lighting at the Skehan Center. He noted that with the Efficiency Maine Incentives, the cost of the project would be below the Town’s bid threshold. Motion by Councilor Marble, seconded by Councilor Shakespeare to proceed with the lighting proposal from Hampden Electric as recommended by the Infrastructure Committee. Vote was 5 in favor (Marble, Shakespeare, Sirois, McAvoy and Ryder) and 1 opposed (Wilde); motion carried.*



Town of Hampden UPDATE

Municipal Review Committee | 395 State Street | Ellsworth, ME 04605 | www.MRCMaine.org

FEBRUARY 2015

At a Hampden Town Council meeting on December 15, 2014, the Municipal Review Committee announced plans to develop a state-of-the-art solid waste recycling and processing facility in Hampden near Interstate 95.

Additional steps in pursuing the processing technology necessary for this project have progressed since that meeting and we wanted to provide an additional update to the Town on these developments. A report on the activities at the last MRC board meeting is included below.

We are also continuing preparation of our materials to submit to the Maine Department of Environmental Protection for necessary permits and to the Hampden Planning Board for local review. We've also included an update on the timelines for this project and how it will develop over the next three years.

ABOUT THE MUNICIPAL REVIEW COMMITTEE

The Municipal Review Committee is a non-profit association of Maine communities led by an elected, volunteer board of directors. For more than 25 years, the member communities of the MRC, now composed of more than 187 cities and towns, have used the PERC waste-to-energy incinerator in Orrington to process their municipal solid waste (MSW). After 2018, the contracts that made the PERC relationship work will expire and PERC will no longer be an economically viable option for the MRC communities and development of a new solution is underway.

UPDATE ON MRC ACTIVITIES IN ADVANCE OF 2018

At its February 4 meeting, the MRC's board of directors focused on planning for post-2018 processing solutions for our member communities' municipal solid waste.

As you likely have learned, we've been working for several years on a plan for when PERC is no longer an economically viable solution in March of 2018. Through careful study and an international Request for Expression of Interests, we settled on a Maryland company named Fiberight as the right choice to explore. At our board meeting, two big decisions were made that move this process forward:

- University of Maine Peer Review Report Comes Back Positive - Dr. Hermant Pendse, the director of UMaine's Forest Bioproducts Research Institute, attended our meeting to deliver his group's report on the peer review his team conducted of Fiberight's technology. Dr. Pendse delivered a very positive analysis of the technology and answered questions from the board and guests.
- Development Agreement with Fiberight Approved - Based on this information, the board reviewed a proposed agreement with Fiberight to work together in developing a processing facility at the site we have identified in Hampden. This facility would process MRC member communities' municipal solid waste and produce industrial sugars and biofuels using an innovative technology Fiberight has developed and operated in other states.

ABOUT THE LOCATION

The MRC has secured an option on a location for this processing facility in Hampden in the "triangle" between I-95, the Cold Brook Road and the Ammo Industrial Park, an area which has been targeted for this kind of new facility in the town's economic development plans. This location fits well with Hampden's desire to develop this area with new commercial growth and that effort will be supported by MRC's construction of a nearly mile-long access road.

You can find more information about this proposal at www.mrcmaine.org/post-2018 and we are always happy to discuss the project or answer questions from the Town or any residents. We can be reached www.mrcmaine.org/contact, by e-mailing glander@mrcmaine.org or by calling 207-664-1700.

We'll be continuing our outreach in the coming weeks and months, including providing updates at Hampden Town Council meetings and holding an MRC Board of Directors meeting in Hampden.

If you would like to join MRC's e-mail alert list, please provide your contact information at www.mrcmaine.org/contact or email glander@mrcmaine.org.

Timeline for Developing the Hampden Processing Facility

THIS YEAR 2015

January-March

MRC makes exclusive commitment to preferred vendor and technology
Prepare application materials for Maine Department of Environmental Protection and Hampden Planning Board
Begin negotiation/development of draft final agreements between the MRC and Fiberight and between Members and MRC

April-June

Applications to be submitted to Maine Department of Environmental Protection and Hampden Planning Board for approvals

July-September

Permit applications proceed and negotiation of operating agreements between MRC and Fiberight and between MRC and its Members continue

October-December

Finalize operating agreements and present at the 2015 MRC Annual Meeting in December

FUTURE YEARS 2016-2018

2016

Seek MRC member community approvals of agreements between MRC and its Members

If a sufficient number of municipalities with the required tonnage to secure financing approve: finalize permits, finalize financing & begin initial phase of facility construction

2017

Construction of infrastructure and facility proceed

2018

PERC contracts end in March of 2018

Operation of new Hampden facility begins



IMPACTS FROM GOVERNOR'S BUDGET
TOWN OF HAMPDEN

Taxing Tax-exempt properties over \$500,000 in value:

Net loss to the town of taxes at the current mil rate would be \$8,757.75. Due to the formula in the Governor's proposed budget that subtracts the first \$500,000 in value for non-profits and then divides the remainder by 2 and applies the mil rate to 1/2 we would gain one property that we currently do not get revenue for and lose the majority of a second that we currently get a service fee for – resulting in a net loss in taxes.

Revenue Sharing –

The estimate for Revenue Sharing at the reduced rate for this year provides the Town with an estimated \$342,823. That is 39.5% of the amount (\$867,855) that the Town would be receiving if Revenue Sharing was fully funded at the 5% of sales and income tax that it is supposed to be by law. For this year alone, that is a loss of \$525,032, but since it is at the same rate as it has been for the last two years – the cumulative loss is over \$1.5 million dollars for these three years alone. Under the Governor's proposed budget, the remainder of the revenue sharing percentage (the \$342,823) would be eliminated in the 2016/17 budget. \$342,823 equals 57.9 cents additional needed on the mil rate or the elimination of \$342,823 in expenses to the municipal side of the budget since the school and county tax appropriations are not under the control of the Town. The \$525,032 reduction already done in prior years by the state has a mil rate impact of 89 cents on the mil rate.

Homestead Exemption –

There are winners and losers in this proposal. Residents over the age of 65 will get their Homestead exemption doubled from \$10,000 in valuation to \$20,000 in valuation. At the current mil rate of \$17.50 that increases the exemption tax impact from a \$175.00 reduction to a \$350 reduction. However, it entirely eliminates it as an exemption for anyone under the age of 65 which at the current mil rate equates to an automatic \$175.00 increase in their property taxes even if the Town and School and County are able to hold their budgets flat.

In Hampden we have 1781 properties that receive a Homestead Exemption. By comparing voting list birthdates with resident property owners I have a reliable estimate of the percentage of those over 65 and those under 65. 31.5% (561) of the persons who receive homestead exemptions are over 65 and 69.5% (1220) are under 65. The Town is required to fund 50% of the Homestead exemption both in the current funding model and in the Governor's proposed budget.

At the present time, the town funding of the Homestead exemption is \$155,654.63. Under the Governor's proposal at the current mil rate, the town funding of the Homestead exemption would be \$98,175, which is \$57,479 less than the current program – but which provides a benefit to only 31.5% of those who were eligible before, and is a property tax increase for 1220 property owners in the Town of Hampden. In math terms, it would be costing the Town 63% of what it had formerly raised for this exemption – but providing it to only 31.5% of the total population formerly served.

Property Tax Fairness Credit

This program is not operated in any way through the Town; however, its stated intent is to help lower income residents stay in their homes by refunding a portion of property tax or rent paid over a certain percentage of income. Last year when the legislature did away with the Maine Tax and Rent Refund and established the property tax fairness credit, it hurt a lot of people. The new maximum - and that was for anyone over 65 - was \$900 when formerly it was related to the % that property taxes or rent were of someone's total income and the maximum was more like \$1600. Under that program, it really did help people stay in their homes. Applications were sent to prior recipients and were available in paper form and online for first time applicants. Many people - seniors in particular - did not have to file State tax returns. Under the changed program - they do have to file a Maine tax return in order to get the refund, if eligible.

Under the Governor's budget, this program would change as follows: The existing property tax fairness credit would be increased by lifting the cap on the amount of property taxes that can be claimed for the credit, up to \$5,000 for taxpayers filing married joint returns. The credit would also be increased by covering 100% of the property taxes exceeding 6% of the household income rather than just 50% as is the case under current law. Finally, the maximum benefit would be increased from \$600 to \$1000 for individuals under 65 and from \$900 to \$1,500 for individuals 65 years old or older. There are maximums for income that apply to this program as well.

Education Funding

The Governor's budget moves further away from the 55% of funding of K-12 education that is required by LD 1 that was passed over ten years ago. Last year the state paid 46.8% and under this budget it would pay 46.25%. That requires that the mil rate effort from communities move from \$8.1 mils to \$8.44. In Hampden, the current mil rate effort for education is \$9.975 of the \$17.50 mil rate. The mil rate effort for the County is \$1.225 of the \$17.50 mil rate and the Municipal mil rate effort is \$6.30 of the \$17.50 mil rate.

As background, the amount over and above the \$8.1 mils that we are required to raise for education pays for additional debt service at the high school which for the extra seating in the performing arts center, the heating system, and the extra size of some classrooms in the facility because the communities of the district authorized additional borrowing of \$6,000,000 for the facility. It also pays for the funding of programs over and above the EPS model that are authorized annually by the voters as part of the school budget. As a result, the increase in mil rate effort required by the state will require an increase in the mil rate effort by the Town even though we are already substantially over the state-required effort.

General Assistance -

The proposed change to this program will have little impact on the Town of Hampden due to the low amount that the Town expends per year for the program. This budget would tie the reimbursement amount to the average town program expenditures for the prior six years. Reimbursement would total 50% of that expenditure but would be at 90% of expenditures until the community reached 40% of expenditures of the six year average. After that, the Town would receive 10% reimbursement until the state's 50% required match of the six year average was met. The Town annually budgets \$10,000

for this program and has never spent over \$8,000. We have received 50% reimbursement of that amount from the state.

Under the current program, the State considers that the Town (based on population/valuation) could spend approximately \$170,000 per year on General Assistance and it would reimburse the town 50% of the expenses up to that number and 90% of expenditures that exceeded that number. The Governor's budget limits total reimbursement to 50% of the average spent for the past 6 years. As stated earlier – due to our low expenditures, this would have little impact. However, I am not sure what happens in the event that there is a drastic change that could impact the expenditure amount – such as new availability of low cost housing, or the closure of a major employer in an area, etc.

BETE/BETR Conversion –

The proposed budget would, over a period of years, transition all property in the BETR program that is currently fully taxable by municipalities to BETE, which is tax exempt but which the State reimburses the town 50% of for lost taxes. There is a four year window for this to occur, with 25% becoming tax exempt on April 1, 2016, 50% becoming tax exempt on April 1, 2017, 75% becoming tax exempt on April 1, 2018, and 100% becoming tax exempt on April 1, 2019. This proposal also removes retail personal property that is currently enrolled in the BETR program that would be converted to tax exempt under BETE from tax exempt status entirely as of April 1, 2025. Currently, municipalities receive 50% reimbursement from the State for personal property enrolled in the BETE program. The net impact for Hampden would be the loss of 50% of the taxes currently collected from property enrolled in the BETR program. Our assessor is working on the calculations of what this impact would be for the next four years.

SUMMARY

Based on this information, there is little upside in the Governor's proposed budget for the Town of Hampden. The continued raid of revenue sharing and its eventual elimination has diverted literally millions of dollars from the Town of Hampden since 2009. The result is that in order to mitigate the impact to the mil rate of these revenue losses along with the over one million dollars annual additional tax requirement of RSU#22 since 2009 due to educational funding constraints, the Town has reduced its own budget from the 2009 level and spent down its fund balance to the point where borrowing in anticipation of taxes will be required and mil rate increases have been necessary. Were Revenue Sharing to be restored to the statutory requirement and education to receive its statutory funding level, the Town would be in a much more stable financial position.

While Revenue Sharing and Education funding have the most serious impacts – indications are that the BETR/BETE program changes would have significant financial consequences and the Homestead changes would impact over 1200 of our property taxpayers in a negative way.

- d. **Zoning Ordinance Text Amendment – Article 3.13 Business B District – Planning & Development Committee Recommendation to Refer to Planning Board** - *Motion by Councilor Shakespeare, seconded by Councilor Marble to refer this item to the Planning Board. Unanimous vote in favor.*
- e. **Zoning Ordinance Text Amendment – Article 4.15 Swimming Pools and Article 7.2 Definitions – Planning & Development Committee Recommendation to Refer to Planning Board** – *Motion by Councilor Shakespeare, seconded by Councilor Marble to refer this item to the Planning Board. Unanimous vote in favor.*
- f. **Life Safety Code Ordinance Amendments to adopt current State adopted and amended Life Safety Code, NFPA 101-2009 – Planning & Development Committee Recommendation and Introduction for Public Hearing on April 6, 2015** – *Councilor Shakespeare introduced this for public hearing on April 6, 2015.*
- g. **Fire Prevention Code Ordinance Amendments to adopt current State adopted and amended Uniform Fire Code, NFPA 1-2006 – Planning & Development Committee Recommendation and Introduction for Public Hearing on April 6, 2015** – *Councilor Shakespeare introduced this for public hearing on April 6, 2015.*
- h. **Repeal of current Building Code Ordinance – Planning & Development Committee Recommendation and Introduction for Public Hearing** – *Councilor Shakespeare introduced this for public hearing at the next regular Council meeting.*
- i. **Repeal of current Residential Building Code Ordinance – Planning & Development Committee Recommendation and Introduction for Public Hearing** – *Councilor Shakespeare introduced this item for public hearing at the next regular Council meeting.*
- j. **Adoption of Maine Uniform Building and Energy Code Ordinance (MUBEC) – Planning & Development Committee Recommendation and Introduction for Public Hearing** – *Councilor Shakespeare introduced this item for public hearing at the next regular Council meeting.*
- k. **Direct Economic Development Director to Apply for “Certified Business Friendly” Designation by April 15, 2015** – *Councilor Duprey- Due to Councilor Duprey’s absence, this item was postponed.*

E. COMMITTEE REPORTS

Services Committee – *Councilor McAvoy reported that at its meeting on February 10th, the Committee discussed park amenities and reviewed the library budget and operations. The next meeting will be at 6:00 pm on Monday, March 9th.*

Infrastructure Committee – *Councilor Marble reported that the Committee met on February 23rd and approved the advertisement for a new Public Works Director; reviewed the Skehan Center lighting proposal; discussed the future needs of the Recreation Department and playing fields; and recommended terminating the 50% town subsidy for*

composters. The next meeting will be at 6:00 pm on Monday, March 23rd.

Planning & Development Committee – Councilor Shakespeare reported that most of the items discussed at the last meeting have already been discussed this evening. Resident Walter Cupples, who lives on Main Road North talked to the committee about re-zoning a portion of Main Road North from Residential B district to Village Commercial. He told the committee that most of the landowners in the area support the proposed change. The committee also discussed private ways and proposed amendments to the Subdivision Ordinance.

Finance Committee – Mayor Ryder reported that the Committee discussed the sidewalk plow and replacement of laptops in the Police cruisers. The Committee continues to review Council Rules.

F. **MANAGER'S REPORT** – A copy of the Manager's Report is attached and made a part of the minutes.

G. **COUNCILORS' COMMENTS**

Councilor Wilde said he has had multiple residents speak to him about the Town Office hours and a majority of those he has talked with are unhappy that the office is closed on Friday. He requested that Town Office hours be included on the next agenda for discussion.

Councilor Shakespeare said he did not disagree with that.

Councilor McAvoy congratulated the Hampden Broncos Boys Basketball team on their State Championship.

Councilor Marble commended the efforts of Hampden resident Al Nygren, and all Hampden Public Safety staff who helped in the multiple vehicle pileup on I-95 during last week's storm. He requested that all involved be invited to the next meeting for Council recognition. He noted that at a previous meeting a member of the public was chiding Councilors about remembering who they are working for, why we are here, and it's not about lobbyists – it's about the citizens. He wanted that person and everybody to know that in his opinion, this is local government and it is all about citizens and has nothing to do with issues that belong at the State and Federal level and don't come into play here.

Mayor Ryder thanked the Hampden Academy Boys for an excellent year and congratulated them on winning the gold ball again. He was at the game and observed that none of the boys wanted all the glory – they worked as a team. He also noted that there were a lot more people from Hampden than from Portland, which shows the community atmosphere that we have in this town. He said it makes you proud to part of Hampden.

H. **ADJOURNMENT** – There being no further business, the meeting adjourned at 8:04 pm.



Denise Hodsdon
Town Clerk

MANAGER'S REPORT
Monday, March 2, 2015

Public Safety Floor Project – The public safety floor project was started today. It will take approximately 2 weeks to complete the job.

Foreclosure – We have one property that is now foreclosed on for unpaid 2012/13 property taxes. It is located at 106 Manning Mill Road. The record owner did not respond to any notices. The mortgage holders did sign for the notices but did not make payments to prevent the foreclosure. This item will be on the 3/16 agenda asking the Council to begin the process associated with the Town-Owned Property Ordinance. The first step is to notify the record owner that they have 30 days to pay all years of outstanding taxes, costs, and interest. If that does not happen, then the Town notifies the abutter's and advertises the property for sale.

Budget – The first draft of the department head budgets are due to me by the middle of March. Although the Charter requires me to have the budget draft to the Council no later than May 1st, it is my goal to have the budget to the Council for review no later than the middle of April in order to allow sufficient time for deliberations prior to the June deadline for adoption. We received our County tax bill for the 2015/16 year. It is \$16,627.24 higher for 15/16 than it was for 14/15.